

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION - FLINT

In re:

Case No. 03-31909-WS

DOUGLAS P. RUSSELL and,
TRACEY E. RUSSELL

Chapter 13

Debtors.

Hon. Walter Shapero

ORDER IN CONNECTION WITH FEE APPLICATION OF
DAVID R. SHOOK AS ATTORNEY FOR DEBTORS

Applicant, having filed his application for compensation as attorney for Debtors, which was opposed by the Debtors and was the subject of a subsequent order requiring it to be supplemented; the Court having reviewed the supplemental filing seeking \$4,879.00; in light of the objections of the Debtors; this Court also following those opinions which permit attorneys for Chapter 13 debtors to seek fees from the bankruptcy estate; the Court coming to the following conclusions:

- (a) the application remains somewhat procedurally deficient despite the requirements of this Court's previous Order in that Mr. Shook's earlier fees were approved in this case without proper notice and Court approval; many of the time entries are vague and/or insufficiently explained or tied into what might properly be considered matters relating to administration of the bankruptcy estate, all in contravention of the affirmative requirements of L.B.R. 2016-1(b) (E.D.M.) and Fed. R. Bankr. P. 2002 ; the notice issue was corrected by applicant filing an amended fee application, one with proper notice and opportunity; and
- (b) notwithstanding the foregoing, the applicable authority (United States Trustee v.

Eggleston Works Loudspeaker Co. (In re Eggleston Works Loudspeaker Co.), 253

B.R. 519 (B.A.P. 6th Cir. 2000)) requiring that in such cases any such services must be found to be reasonable and necessary to the administration of the bankruptcy estate for payment to be made; the Court concluding that a careful examination of the application and the time entries indicating that while the services can be argued as being invaluable or of little use to the Debtors personally, all were truly reasonable and necessary to the administration of the bankruptcy estate; and

(c) the Court further noting that the attorney is willing to reduce his fees; \$750 due to an accounting error; \$233 due to overcharging the Debtors by \$10 an hour; and further reducing attorney's fees \$500 for failing to properly follow L.B.R. 2016-1(b) (E.D.M.) and Fed. R. Bankr. P. 2002; and

(d) the Court further noting that the decision of this Court not to allow the application in full to be paid, is not dispositive one way or the other of the issue of whether any disallowed amounts may be collected directly from Debtors in another court under the rules generally applicable to the relationship between attorney and client outside of bankruptcy;

NOW, THEREFORE, IT IS HEREBY ORDERED that the application is GRANTED in the amount of \$3,396.00.

Entered: July 21, 2006

/s/ Walter Shapero
Walter Shapero

United States Bankruptcy Judge